

## Message Text

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PAGE 01 STOCKH 02950 141014Z  
ACTION EB-07

INFO OCT-01 ERDA-05 COME-00 EUR-12 ISO-00 DODE-00  
NSAE-00 USIA-06 TRSE-00 CIAE-00 EA-07 /038 W  
-----049226 141117Z /20

R 140927Z JUL 77  
FM AMEMBASSY STOCKHOLM  
TO SECSTATE WASHDC 1072  
INFO AMEMBASSY PARIS  
AMEMBASSY WARSAW

C O N F I D E N T I A L STOCKHOLM 2950

E.O. 11652: XGDS-1  
TAGS: ESTC, COCOM  
SUBJECT: SWEDISH THREE AXES MACHINE TOOL LICENSING

REF: STATE 161287

1. THE EMBASSY REGRETS THAT GOS AND ASEA HAVE CHOSEN TO TERMINATE A DIALOGUE ON THE ASEA NUCON 400 CONTRACT WITH POLAND, AND ALSO THAT THE CHANNEL SELECTED TO CONVEY THE MESSAGE WAS THE SWEDISH EMBASSY IN WASHINGTON.

2. WE ARE NOT COMPLETELY SURPRISED, HOWEVER. THE COMMENTS CONVEYED TO US BY STEN NIKLASSON OF THE MINISTRY OF INDUSTRY AND BY WEICHBRODT, AS REPORTED EARLIER, INDICATED CONSIDERABLE SENSITIVITY TO A POSSIBLE INTRUSION BY THE US INTO AN AREA OF DECISIONS WHICH THEY, AT ANY RATE, THOUGHT EXCLUSIVELY BETWEEN SWEDEN AND POLAND. ADMITTEDLY, WEICHBRODT, WITH DIFFERENT EMPHASIS THAN THAT OF THE US TEAM, HAD AGREED TO RECEIVE OUR VIEWS ON THE FUTURE IMPLEMENTATION OF THE NUCON 400 CONTRACT, NSO THE COLD SHOULDER WE ARE NOW GETTING IS INCONSISTENT WITH HIS POSITION IN MAY.

3. BOTH NIKLASSON AND WEICHBRODT ARE ABSENT AND THE EMBASSY WOULD PREFER TO INQUIRE OF THEM WHY THERE HAS  
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BEEN AN APPARENT CHANGE IN SIGNALS BEFOFE TURNING TO THE MFA THROUGH WHICH THE SWEDISH EMBASSY IN WASHINGTON RECEIVED ITS INSTRUCTIONS. WE SUGGEST THAT NIKLASSON MAY BE THE KEY OFFICIAL IN THE SWEDISH DECISION. ALSO, HE WAS CLOSELY CONCERNED WITH THE STANSAAB QUESTION, AND THE REFUSAL OF A PORTION OF STANSAAB'S LICENSE APPLICATIONS FOR ITS ATC CONTRACT WITH USSR IN

LATE JUNE MAY HAVE NUDGED NIKLASSON THE FOLLOWING WEEK TO RECOMMEND BREAKING OFF THE EXCHANGE ON THE NUCON 400 CONTRACT. THIS IS EMBASSY SPECULATION, HOWEVER, RATHER THAN HARD INFORMATION. WE WILL TRY AND ELICIT MORE INFORMATION FROM NIKLASSON WHEN HE RETURNS TO STOCKHOLM.

4. THE EMBASSY HAS NOTED IN THE PAST IN VARIOUS CONTEXTS SWEDISH OFFICIALS' CONCERN OVER WHAT THEY REGARD AS US ATTEMPTS TO EFFECT THE EXTRATERRITORIAL APPLICATION OF US LAWS IN OUR BILATERAL RELATIONS. AMBASSADOR BENGT RABAEUS EXPRESSED THIS CONCERN IN A CONVERSATION WITH AMBASSADOR WOLFF, STR, ON JULY 8, WITH REGARD TO SWEDISH EXPORTS TO CUBA AND ALSO ALLUDED TO POSSIBILITY OF SIMILAR PROBLEMS IN OTHER AREAS.

5. WE WOULD ALSO LIKE TO POINT OUT THAT THE EMBASSY'S UNDERSTANDING THROUGHOUT WAS THAT THE ASEA/POLISH CONTRACT COULD NOT BE ALTERED. THE MOST ASEA AGREED TO DO IN THE MAY MEETING WAS TO CONSIDER US SUGGESTIONS ABOUT A TRANSFER OF TECHNOLOGY AND SOFTWARE WHICH HAD NOT RPT NOT YET BEEN SPECIFIED UNDER THE CONTRACT. REGARDING USE OF US COMPONENTS IN ASEA NCS, AN EMBASSY OFFICER SPECIFICALLY SAID TO WEICHBRODT OF ASEA THAT NOTHING IN THE CONVERSATION SHOULD BE CONSTRUED AS INDICATING THAT USG APPROVAL WOULD BE FORTH-  
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COMING FOR ANY US-MADE COMPONENTS TO BE USED IN ASEA NCS. ACCORDING TO THE SAME OFFICER'S RECOLLECTION, WEICHBRODT REPLIED THAT NO US COMPONENTS WOULD BE NEEDED.

6. FINALLY, WE WOULD POINT OUT PER QUERY IN PARA 4 THAT THE GOS POSITION IS NOT CONTINGENT UPON ASEA'S WILLINGNESS TO COOPERATE. ASEA IS CONCERNED, AS WEICHBRODT NOTED IN THE MAY MEETING, WITH MAINTAINING GOOD COMMERCIAL RELATIONS WITH THE US. THE GOVERNMENT HAS OTHER CONCERNS, SUCH AS SWEDISH SOVEREIGNTY, ITS RELATIONS WITH THE EASTERN BLOC, AND ITS POSITION AS A NON-ALIGNED NATION.  
PERRY

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## Message Attributes

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**Disposition Approved on Date:**  
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**Review Markings:**  
Margaret P. Grafeld  
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